

## Message Text

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PAGE 01 BEIRUT 03108 301503Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 XMB-02 EB-07 OMB-01 TRSE-00  
SS-15 SP-02 NSC-05 L-03 CIAE-00 INR-07 NSAE-00  
PRS-01 COME-00 /059 W  
-----009186 301731Z /44

R 301415Z JUN 77  
FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC 4430

C O N F I D E N T I A L BEIRUT 3108

DEPT ALSO PASS AID AND EXIMBANK

E.O. 11652: GDS  
TAGS: ECON ECRE EFIN OTRA LE  
SUBJ: EXIMBANK VISITORS MEET WITH ACTING GOVERNOR OF THE CENTRAL  
BANK

REF: BEIRUT 3018

1. ON JUNE 27 VISITING EXIMBANK OFFICIALS MORAN, HAMMOND AND  
DONEGAN MET WITH JOSEPH OUGHOURLIAN, ACTING GOVERNOR OF  
CENTRAL BANK, WHO OFFERED FOLLOWING COMMENTS.

A. COMMERCIAL ACTIVITY IN LEBANON HAS PICKED UP CONSIDERABLY  
SINCE END OF FIGHTING IN NOVEMBER 1976 AND MAY BE AT  
60-70 PERCENT OF PRE-WAR LEVELS. THIS IS EVIDENCED BY  
INCREASED ADVERTISING IN NEWSPAPERS, NEW SHOPS OPENING, AND  
RESUMPTION OF SOME CONSTRUCTION ACTIVITY. BECAUSE OF DESTRUC-  
TION OF CENTER CITY BEIRUT, HOWEVER, COMMERCIAL ACTIVITY  
HAS BECOME "DECENTRALIZED" AND HAS DEVELOPED SEPARATELY IN  
EASTERN AND WESTERN SECTORS OF CITY.

B. NOMINAL AMOUNT OF CUSTOMS COLLECTED IS NOW IN EXCESS  
OF LL ONE BILLION PER DAY, ABOUT SAME RATE AS IN 1974.  
NEVERTHELESS, CURRENT RATE REPRESENTS DECREASE IN REAL VALUE  
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COLLECTED SINCE THERE HAS BEEN CONSIDERABLE INFLATION  
OVER LAST TWO YEARS.

C. THERE ARE NO DATA OR RELIABLE STATISTICS ON  
LEBANESE ECONOMY. THUS, NO ESTIMATE CAN BE MADE OF  
CURRENT GNP. SIMILARLY, NO ESTIMATE CAN BE MADE OF  
BALANCE OF PAYMENTS, ALTHOUGH WEAKENING OF POUCH WITH

RESPECT TO DOLLAR SUGGESTS SUBSTANTIAL DEFICIT. RESERVES  
IN BANK OF LEBANON WERE ABOUT THE SAME AT END  
OF 1976 AS AT END OF 1974. (IN DECEMBER 1974 LEBANON  
HAD APPROXIMATELY LL 1.6 BILLION IN RESERVES, OF WHICH  
LL 385 MILLION WAS GOLD VALUED AT \$42 AN OUNCE.)

D. COMMERCIAL BANKS HAVE, HOWEVER, RESUMED SUBMISSION  
OF MONTHLY REPORTS TO CENTRAL BANK, WHICH WILL SOON  
PUBLISH YEAR-END AGGREGATE DATA FOR 1975 AND  
1976. (COMMENT: OUGHOURLIAN DID NOT EXPLAIN APPARENT  
CONTRADICTION BETWEEN THIS ASSERTION AND HIS PROFESSED  
INABILITY TO ESTIMATE GNP AND BALANCE OF PAYMENTS. END  
COMMENT.)

2. FINALLY, OUGHOURLIAN BELIEVED THAT OVER TIME ECONOMY  
WOULD REVIVE OF ITS OWN ACCORD. BUSINESSMEN WOULD  
SLOWLY REALIZE THAT THEY COULD NOT DEMAND IMPOSSIBLE  
FROM GOVERNMENT. ECONOMIC ACTIVITY WOULD THEN  
RETURN TO NORMAL LEVELS, PROVIDED COUNTRY ENJOYED  
RELATIVE STABILITY AND BUSINESSMEN BELIEVED OUTLOOK  
WAS FOR MORE OF SAME.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** EXIMBANK VISITORS MEET WITH ACTING GOVERNOR OF THE CENTRAL BANK  
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**To:** STATE  
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